

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

Senate Bill 201

**FISCAL
NOTE**

BY SENATOR BLAIR

[Introduced February 9, 2017; referred
to the Committee on Health and Human Resources; and
then to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §9-5-25, relating to the potential sale, renovation or leasing of certain state-
 3 owned health care facilities; requiring the Secretary of the Department of Health and
 4 Human Resources to employ a consultant to study the potential sale, renovation or lease
 5 of those facilities; requiring the study be submitted to the Governor and Joint Committee
 6 on Government and Finance by November 30, 2017; identifying the minimum contents of
 7 the study; exempting the hiring of the consultant from certain purchasing requirements;
 8 requiring the secretary to update the Joint Committee on Government and Finance
 9 regarding the selection of the consultant; requiring the Director of the Division of Personnel
 10 to assist the secretary to develop a strategy related to the employees of the facilities
 11 subject of the study; creating a special revenue account to be known as the Health Care
 12 Facilities Liquidation Fund; requiring the secretary to prepare an accounting of all assets;
 13 providing that expenditures from the fund are not authorized from collections deposited in
 14 the fund but are to be made only in accordance with appropriation by the Legislature; and
 15 prohibiting the secretary from acting pursuant to the study and any resultant plan without
 16 authorization from the Legislature.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
 2 section, designated §9-5-25, to read as follows:

ARTICLE 5. MISCELLANEOUS PROVISIONS.

§9-5-25. Sale, lease and renovation of certain state owned health care facilities.

1 (a) The secretary shall employ a consultant and prepare a plan which includes, but is not
 2 limited to, options concerning selling, renovating or leasing Mildred Mitchell Batmen Hospital,
 3 William R. Sharpe Jr. Hospital, Hopemont Hospital, Jackie Withrow Hospital, John Manchin Sr.
 4 Health Center and Lakin Hospital: *Provided*, That the consultant shall consider the options on
 5 those facilities on a facility-by-facility basis. The consideration for the contract may not exceed

6 \$200,000. The study shall be submitted to the Governor and the Joint Committee on Government
7 and Finance by November 30, 2017.

8 (b) The study shall, at a minimum, include:

9 (1) A feasible time table for the sale, renovation or leasing of the facilities described in
10 subsection (a) of this section;

11 (2) Strategies to minimize effects on state and contract employees of those facilities;

12 (3) Strategies to minimize effects on long-term care facility residents, including any
13 potential risk that could arise from relocating those residents.

14 (4) Feedback from relevant internal and external stakeholders;

15 (5) Identification of barriers the secretary may encounter in the sale, renovation or leasing
16 of the facilities;

17 (6) Strategies to do the following:

18 (A) Reduce the cost of operating the facilities; and

19 (B) Produce the most revenue from the sale, renovation or leasing of the facilities,
20 including strategies to sell licensed beds and provide purchase options, lease options or separate
21 sale of buildings, land, chattel and equipment;

22 (7) A complete accounting of the facilities and their respective assets; and

23 (8) Identification and analysis of legal issues arising from the sale, renovation or leasing
24 of the facilities.

25 (c) The hiring of the consultant as described in subsection (a) of this section is not subject
26 to the purchasing requirements of article three, chapter five-a of this code.

27 (d) The secretary shall provide bimonthly updates to the Joint Committee on Government
28 and Finance regarding the selection of the consultant described in subsection (a) of this section:

29 Provided, That the secretary is encouraged to seek out several potential consultant candidates
30 prior to entering into a contract with a consultant to create the plan as described in subsection (a)

31 of this section.

32 (e) The Director of the Division of Personnel shall assist the secretary and the consultant
33 to create a strategy to minimize any effects on employees of the facilities.

34 (f) There is hereby created in the State Treasury a special revenue account to be known
35 as the "Health Care Facilities Transition Fund." The fund shall consist of appropriations to
36 effectuate the purposes of this section and any revenue or sales proceeds derived from activities
37 provided for in accordance with this section. Expenditures from the fund are for the purposes set
38 forth in this section and are not authorized from collections but are to be made only in accordance
39 with appropriation by the Legislature and in accordance with the provisions of article three,
40 chapter twelve of this code.

41 (g) This section is to be construed broadly as to provide the secretary with the latitude to
42 accomplish the goals of this section.

43 (h) The secretary may not sell, renovate or lease pursuant to the plan described in
44 subsection (a) of this section without authorization from the Legislature.

NOTE: The purpose of this bill is to explore the potential sale, renovation or leasing of certain state-owned health care facilities. The bill requires the Secretary of the Department of Health and Human Resources to employ a consultant to study the potential sale, renovation or lease of those facilities. The bill requires the study be submitted to the Governor and Joint Committee on Government and Finance by November 30, 2017. The bill identifies the minimum contents of the study. The bill exempts the hiring of the consultant from certain purchasing requirements. The bill requires the secretary to update the Joint Committee on Government and Finance regarding the selection of the consultant. The bill requires the Director of the Division of Personnel to assist the secretary to develop a strategy related to the employees of the facilities subject of the study. The bill creates a special revenue account to be known as the Health Care Facilities Liquidation Fund. The bill requires the secretary to prepare an accounting of all assets. The bill provides that expenditures from the fund are not authorized from collections deposited in the fund but are to be made only in accordance with appropriation by the Legislature. The bill prohibits the secretary from acting pursuant to the study and any resultant plan without authorization from the Legislature.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.